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A16 Bulls & Bears

the markets

Lessons learned as an observer of markets



DON MACDONALD
on moving on

“Events of recent months haven’t caused me to lose faith in investing”

Clearing off my bookshelf at The Gazette the other day I came across a volume that is destined to go down in stock-market history.

It wasn’t Benjamin Graham’s *The Intelligent Investor* or Buffett: *The Making of An American Capitalist* – although these books have occupied places of pride on the shelf. No, the title I came across was a 1999 bull market era curiosity called *Dow 36,000: The New Strategy For Profiting From The Coming Rise In The Stock Market*.

Looking at it from Dow 7,000 some 10 years later, the book by James Glassman and Kevin Hassett offers a perspective on just how challenging it can be to write intelligently about the stock market.

If there’s one lesson I’ve tried to keep in mind over the last 12 years as a business reporter and a weekly markets columnist, it’s to aim for modesty in the face of the market’s enormous complexity. It hasn’t always been a successful effort.

But it has been a great pleasure to learn what I could about business, the markets and investing through these momentous years of bubbles and crashes, greed and fear, profit and loss.

I’ve had the privilege of meeting and interviewing important business people and investors including Buffett himself and his partner, Charlie Munger, on a trip to Omaha. I’ve also had the chance to travel for reporting assignments elsewhere in the U.S. and to Latin America and China. I’ve also written about more than a few crooks and swindlers in this city over the last dozen years and the misery their crimes have inflicted on the victims.

And, in between, I’ve done my share of run of the mill stuff destined for quick service in the canary cage or cat box.

So what have I learned? Nothing that’s very complicated in the end.

Unfortunately, we don’t know what the future holds and neither do all the professional prognosticators whose opinions fill newspaper pages and business channels every day. So I try to focus on things I can control.

I can reduce to a minimum the bite that fund fees and brokerage commissions take out of my savings. I can cut my risk by diversifying within and across asset classes, including with my home and by contributing to a retirement savings plan offered by my employer.

I try to reduce risk in another way – by avoiding debt, eliminating what I do have as quickly as possible and saving something each month.

Having been an observer of ill-fated market enthusiasms both big and small for things like Internet stocks, mining plays or hedge funds, I’ve come to believe that each one is predicated on the idea that this time is different from all the others. It never is.

The harrowing events of recent months haven’t caused me to lose faith in investing. Instead, they have reaffirmed my belief in fundamental principles – paying reasonable prices, buying superior businesses and holding for the long haul – set down by Graham so long ago and refined by Buffett.

Now I’ve left The Gazette for a position as senior editor at the Business Development Bank of Canada (BDC) where I look forward to writing and editing. I will be close by, but will still miss working in the newsroom with my friends and colleagues, a dedicated group of talented journalists whose advice, assistance and companionship have been invaluable to me through the years.

I’m also grateful to the readers of this paper who have taken an interest in what I’ve had to write. To all I offer my most sincere thanks.

the entrepreneurs



Patricia Bukowsky and her business partner Scott Muldrew (second from right) work on a project with Dann Piché, master cabinet-maker (left), and cabinet-maker Louis-André St-Laurent. Their company passes on supplier discounts to clients.

CUISINE À LA CARTE targets baby boomers with paid-off houses who can afford to spend \$50,000 to \$150,000 updating one of their key rooms

Whipping up kitchens

MIKE KING THE GAZETTE

Patricia Bukowsky and Scott Muldrew have made a successful transition from the boardroom to the kitchen.

While on a similar career path in the corporate world, the two became friends. Six years ago, they turned what had been a shared hobby into a small start-up company that custom-designs, manufactures and installs kitchens.

Their joint venture, **Cuisine à la carte kitchen design**, now generates about \$1 million a year in revenue.

“We started doing it for family and friends, then people told us we should do it as a business,” Bukowsky recalled last week.

“I studied the market and saw kitchen renovation was becoming big.”

The two first met when Bukowsky became marketing manager in 1990 at Coty, a cosmetic line put out by **Pfizer Inc.**, and Muldrew was comptroller there.

Five years later when she was hired as director of marketing at perfume firm **Houbigant Inc.**, Bukowsky recommended Muldrew as the director of finance, operations and

administration.

The Concordia University graduates (Bukowsky in marketing and Muldrew in accountancy) were there for two years before going their separate ways.

They eventually met up again at **Northern Images Displays**, a Montreal marketing and sales representative for kitchen cabinets, among other items, where she was a consultant and he was comptroller.

“We were always a great

Montreal West where all the cabinets are made to order, has delivered 42 kitchens to date, at prices ranging from \$50,000 to \$150,000.

All of their projects were completed in three to four weeks.

“Our objective is to deliver 25 to 30 kitchens a year,” Bukowsky said.

“If we exceed that, we won’t be able to take care of our customers the way we like,” she added. “The most important

head low.

Instead, Bukowsky said they personally chauffeur prospective clients to “living kitchens” – visiting previous customers to show the finished product and how it works.

Cuisine à la carte also passes along supplier discounts to their customers, including 25 per cent off on granite and 10 per cent off tiles.

“We pick (clients) up at home and go to the suppliers together to pick out material,” Bukowsky said. “We hold their hands through the whole process.”

Despite the current state of the economy, the partners said home-renovation rebates offered by the provincial and federal governments are stimulating interest and five contracts are already booked for spring.

“Our target market,” Bukowsky said, “is homeowners 45 years old and up whose houses are paid for, and who want to re-invest.”

For more information, visit www.alacartekitchens.ca

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“We pick (clients) up at home and go to the suppliers together. We hold their hands through the whole process.”

PATRICIA BUKOWSKY OF CUISINE À LA CARTE KITCHEN DESIGN

team together,” said Bukowsky, 51. “Patricia is good with colours and decor and I do the technical design and measurements,” Muldrew, 46, said of their strengths.

They initially did some advertising to build the business and now benefit from increasing referrals from satisfied customers.

Their Beaconsfield-based company, with a factory in

thing is service and we pride ourselves on service and quality.”

Unless a customer requests a particular contractor, Cuisine à la carte always uses the same licensed professionals to control quality, and spends 40 to 100 hours with clients to follow through on each project.

Muldrew said there is no showroom to display their work, which helps keep over-



Grant

Lalande

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